

Proof of Evidence: Financial Viability
and Functional Need

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Planning appeal: Wealden District Council, non-determination
planning application WD/2017/0340/F

Description: Siting of three temporary agricultural workers'
dwellings for a period of 5 years together with an agricultural barn
with PV array and alterations to existing highway access to provide
three affordable smallholdings to new entrants to ecological
agriculture

Location: Field south of Copyhold Cottages, Arlington, Hailsham,
BN26 6RU

June 2018

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QUALIFICATIONS AND EXPERIENCE

My name is Zoe Lelah Wangler. I hold an honors Degree of Bachelor of Science in Development Studies. In 2007 I co-founded the Ecological Land Co-operative (ELC), taking the role of Managing Director in 2009. I stayed in this post until 2015 at which point I became my mother's carer. I currently work part-time for the ELC.

I was responsible for the planning application for the appeal site including coordinating public and stakeholder consultations. I prepared the planning applications and appeal documentation for an ELC site with a similar scheme of affordable starter agricultural holdings in Mid Devon District and gave evidence at the subsequent public inquiry in 2013¹. Since the holdings in Mid Devon were granted planning permission I have been responsible with my colleagues at ELC for monitoring the Mid Devon site against the objectives in the site's management plan.

My work for the ELC has included co-authoring *Small is Successful*² which examined the finances of eight case study ecological farms on ten acres or less. The research has been used widely and was one of 100 pieces of research featured in the Research Councils UK's 2011 publication *Big Ideas for the Future* showcasing "UK research that will have a profound effect on our future".

My work for the ELC has also included:

- the creation of a free publicly accessible web-based library on ecological agriculture³;
- participation in four agroecology research programs and contributions to over 40 agroecology publications including *A Matter of Scale: a Study of the Productivity, Financial Viability and Multifunctional Benefits of Small Farms* (Coventry University)⁴; and *New Model Farming: Resilience through Diversity* (Council for the Protection of Rural England);

¹ Appeals APP/Y1138/A/12/2181807, 2181808 & 218121

² Available from: <http://ecologicaland.coop/small-successful-0>

³ <http://ecologicaland.coop/uk-agroecology>;

⁴ Submitted as Appendix B with the supplemental planning information submitted 17/11/2017

- giving evidence to the All Party Parliamentary Group on Agroecology on two occasions and presenting to the Conservative Rural Affairs Group⁵.

In June of this year I was asked by DEFRA to present the work of the ELC, as part of their current work “to explore ways in which more talented new entrants can be encouraged into a farming career”.

My work, education and training prior to the ELC is relevant to this proof of evidence, as follows:

- a. From 2001-2004 I worked as Project Analyst, a member of the management team, at the Tenderloin Neighborhood Development Corporation. This well-established non-profit builds and manages affordable housing and provides social services to tenants in San Francisco’s Tenderloin district.
- b. I completed a science degree in Development Studies encompassing agricultural production systems and natural resource use. I trained in water and biological waste treatment at the Centre for Alternative Technology and completed a Foundation in Permaculture Design.
- c. I have experience as a farm laborer and WWOOFer⁶ on organic farms, lived and worked on a Low Impact smallholding and lived “off-grid” for over two and a half years, depending on renewable energy and rainwater.

The evidence which I have prepared and provide for this appeal in this proof of evidence is true and I confirm that the opinions expressed are my true and honest opinions.

⁵ Renamed Conservative Rural Forum

⁶ WWOOF = International volunteer programme for those wishing to work on organic farms

1 SUMMARY

- 1.2 This proof of evidence relates to a planning appeal made pursuant to Section 78 of the Town and Country Planning Act 1990 in respect of a field to the south of Copyhold Cottages, formerly part of Wilbees Farm, Arlington, Hailsham, BN26 6RU (the Appeal Site).
- 1.3 The planning application the subject of this appeal sought permission for:
- ‘the siting of three temporary agricultural workers’ dwellings for a period of 5 years together with an agricultural barn with PV array and alterations to existing highway access to provide three affordable smallholdings to new entrants to ecological agriculture’ (the Proposed Development).
- 1.4 The application was validated in March 2017 and has not been determined by the LPA, Wealden District Council (WDC). An appeal was lodged October 2017. The appeal was given the appeal reference APP/C1435/W/17/3189734 by PINS.
- 1.5 WDC’s view is that the application should be refused for two reasons:
- a. The Proposed Development “in combination with other plans and proposals would be likely to result in adverse effects on the integrity of the SAC [Ashdown Forest Special Area of Conservation]”.
 - b. That there is “no clearly established essential agricultural need has been demonstrated as required by Saved Policy DC2 and paragraph 55 of the NPPF” and that the “scale and nature of the operation does not suggest strong functional requirements to be on the site, nor a sustainable financial case for the business”.

This proof of evidence addresses the second of WDC’s reasons.

- 1.6 The business plans⁷ submitted with the planning application were prepared by two of the UK’s leading organic farming advisors, including Mark Measures

⁷ Appendix C to the supplementary planning information submitted 17/11/2017

BSc (Hons) ARAgS⁸, Institute of Organic Training and Advice accredited farm business advisor. Mr Measures co-authors the Organic Farm Management Handbook and has been awarded the Associateship of the Royal Agricultural Societies by the Duchess of Wessex for his contribution to UK agriculture.

- 1.7 Rent, electricity, water and sewage have been accounted for within the business plans and do not have to be paid out of wages or farm profits; the smallholders will not have rent or a mortgage for their residence. Accounting for these, the business plans provide for household finances equivalent to household incomes of between £18,324 (1 adult household) and £48,993 (2 adult household), well above the Living Wage. This is detailed in Section 3.
- 1.8 With this planning application ELC have presented evidence that small-scale agroecological farms are “*capable of being sustained for a reasonable period of time*” as required by saved policy DC2, including a study of 69 small largely horticultural farms: *A Matter of Scale*⁹, and *Small is Successful*¹⁰ which reviewed the finances of eight small farms, again largely horticultural. Of note is that the household finances projected within the business plans submitted with this application are in line with those of the farms studied in the aforementioned publications.
- 1.9 The ELC have also provided within the planning documentation, information on our existing smallholdings at Greenham Reach which since being established in 2014: have all developed farm businesses with investment totally over £400,000; are all producing a surplus from farming their holding sufficient to cover their households’ basic needs; have no debt; and have all purchased their lease in full. The household living costs of Greenham Reach residents - as assessed by an agricultural assessor - ranges between £5,459 (2 adults, no children) and £6,920 (2 adults and 2 children). This is due to the fact that they have no rent (or mortgage), electricity, water or sewage costs,

⁸ Awarded by the Council for Awards of Royal Agricultural Societies for outstanding contributions by an individual to UK agricultural and rural progress

⁹ Submitted as Appendix B with the supplemental planning information submitted 17/11/2017

¹⁰ Appendix 8 of the Planning Statement

have reduced food costs, and have made a choice to live more sustainably with resulting lower consumption and expenditure.

1.10 ELC has also presented evidence on the functional needs of the proposed businesses and of small agroecological holdings more generally. Functional need has been discussed and evidenced in six documents submitted with this application, one alone providing five pages of detail. The functional needs are:

- a. Constant monitoring of polytunnels to ensure they do not get too hot or cold, have the correct soil moisture levels, and are properly ventilated;
- b. Early morning and late-night crop irrigation;
- c. Protection of seedlings and crops from disease and pests;
- d. Early morning harvesting of fragile crops;
- e. Protection of field crop seedlings from frost;
- f. Weather related emergencies;
- g. Multiple crops and associated tasks, along with the restrictions placed on ELC smallholders to manage their land ecologically, live a low-impact life, participate in open days and site monitoring which result in a long working day lasting from 5am – 10pm; and
- h. Security.

1.11 The need to reside on site has been stated by four independent authors including the aforementioned leading organic advisors.

Relationship with Other Evidence

1.12 This proof of evidence does not address planning policy which is set out within the proof of evidence provided by Brett Spiller BA (Hons) BTP MRTPI MCIWM of Chapman Lily Planning.

2 THE ECOLOGICAL LAND CO-OPERATIVE MODEL

- 2.1 Wealden District Council (WDC) write in their Statement of Case that “there is no clear and compelling evidence as to how the living costs for three as yet unidentified families might be able to live lives for substantially less than is ordinarily accepted as viable”, and that in their view, “the scale and nature of the operation does not suggest ... a sustainable financial case for the business”. It would seem that WDC have not understood the ELC model. The ELC model is covered in detail in Section 2 of our Planning Statement and in the ELC’s Business Plan¹¹. Here I have detailed again just one aspect of the ELC’s model which addresses WDC’s objections above.
- 2.2 The ELC’s approach allows our community benefit society to dramatically reduce smallholders’ living costs. ELC’s tenants are given the opportunity to purchase their 150-year leasehold in monthly installments of £430 over 25 years¹². Alternatively, they can rent the holdings from the ELC at a lower rate of £400 a month and can choose at any time to purchase their holdings. Their rent/mortgage payments have been factored into the business plan¹³ expenses and cover the costs of the agricultural land, solar photovoltaics, shared barn, rain-water harvesting and filtration, compost toilet, access and hard-standing as well the planning consent allowing on-site residence.
- 2.3 The inclusion of rent within the business finances, and of electricity, water, sewage, and basic infrastructure within said rent, along with the value of subsistence consumption taken together with the salaries forecast in business plans of £20,000 per holding and forecast profits of upwards of £6,397, provides for household finances equivalent to an annual household income equivalent of £48,978¹⁴, 1.5 times the Living Wage of two adults working full time and 18% higher than the average annual income for East Sussex households¹⁵. If the large areas of polytunnels designed for Plots A and B

¹¹ Appendix 9 to the Planning Statement

¹² £430 per month for the first five years of the tenancy, and £630 per month for Years 5-25

¹³ Appendix C to the supplementary planning information submitted 17/11/2017

¹⁴ For a family of two adults and two children. Household income for other household compositions are shown in Table 1.

¹⁵ East Sussex in Figures (2018), Average Household Income 2015/2016

were not granted planning permission and consequently farm income dropped to the lowest of the forecast profits of £14,140¹⁶ per annum, the equivalent gross household income¹⁷ is still £37,694, still higher than the Living Wage. The detail of these calculations is provided in Table 2.

2.4 Our Planning Statement outlined the support ELC already provides its smallholders. Greenham Reach is a cluster of three affordable smallholdings for new entrants to ecological farming which the ELC established in Mid Devon in 2013. The ELC support for the three smallholding families at Greenham Reach has been extensive, and in our own business model we have provided the finances to grow this package of support. At Greenham Reach we have already provided: individual farm business mentors; farm volunteers, including transporting volunteers to the site; introductions to wholesalers and retailers, including Lush Cosmetics; introductions to voluntary farm business advisors; referrals to paid consultancy work; and advice and support on grant applications. The fact that smallholders are part of a larger national organisation gives them access to a greater range of grants and soft loans; many trusts are interested in supporting not just organic farming and healthy eating, but an organisation with a wider focus promoting organic farming alongside co-operation and education.

¹⁶ From Appendix 9 to the Sample Business Plans for Arlington, Variant Business Plans for Holdings A and B, showing profits of £8,140 for Plot A and wages for 0.3 FTE of £6,000.

¹⁷ Household of 2 adults and 2 children. For household income for other household compositions see Table 2.

3 FINANCIAL VIABILITY

- 3.1 The business plans¹⁸ were prepared by Iain Tolhurst and Mark Measures BSc (Hons) IOTA (Accredited) ARAgS who between them have over 60 years of experience in the organic farming sector.
- 3.2 Mark Measures is the UK's leading organic agriculture consultant specialising in farm business management, organic conversion planning and organic systems development. A partner in a 55 ha organic farm, he has provided advice to farmers, landowners, corporations, trusts and government for over 25 years, and established the Organic Advisory Service and the Organic Milk Suppliers Co-operative. He is now the Managing Director of the Institute of Organic Training and Advice and continues to author of the definitive guide on organic farming, the *Organic Farm Management Handbook* now in its 10th edition. In 2016, he was awarded the Associateship of the Royal Agricultural Societies by the Duchess of Wessex for his contribution to UK agriculture. Mr Measures experience is extensive; his full resume can be accessed both within the application documents in Appendix 7 of the business plans¹⁹ or online at: <https://www.organicmeasures.co.uk/cv.html>



Mark was awarded the Associateship of the Royal Agricultural Societies by the Duchess of Wessex for his contribution to UK agriculture in 2016.

¹⁸ Appendix C to the supplementary documents submitted 17/11/2017

¹⁹ The business plans are Appendix C to the supplementary documents submitted 17/11/2017

- 3.3 Iain Tolhurst is an organic horticulture consultant specialising in advice and training in horticultural business development, vegetable box schemes, with a specialisation in stock free organic systems. Since 1976, he has been a practicing organic vegetable producer on a 3 ha site which he also uses for demonstration purposes. He has worked as the senior horticultural advisor with Elm Farm Research Centre, is chairman of Thames Organic Growers and founding committee member and spokesman for the Organic Growers Alliance. His publications include *Growing Green* and an extensive range of papers and articles in various organic journals. Mr Tolhurst's experience is also extensive and a more detailed summary can be found both within the application documents in Appendix 7 of the business plans and accessed online: <http://www.organicresearchcentre.com/?go=IOTA&page=tolhurst>
- 3.4 In contrast, the unnamed author of WDC's Appeal Statement has not evidenced that they have experience of organic horticulture or farming. WDC's agricultural consultant has provided no comments on the business plans.
- 3.5 Wealden District Council write in their Statement of Case that:
- a. "There is no clear and compelling evidence as to how the living costs for three as yet unidentified families might be able to live lives for substantially less than is ordinarily accepted as viable, a 'living wage' or even minimum wage, while set up costs remain considerable" and
 - b. "the scale and nature of the operation does not suggest ... a sustainable financial case for the business".

The council also go on to describe the business plans as "severely flawed" but have not yet provided any detail as to how they believe they are flawed.

- 3.6 The statement that the farm business will require the tenants to live for "substantially less than is ordinarily accepted" is incorrect. The farm business plans project:

- a. The generation of £20,000 to pay a salary on each holding²⁰;
- b. Business margins, or profits (in addition to the salary) ranging between £6,398 (Plot C) and £12,653 (Plot B).

Profit is after the rent, electricity, water and sewage has been accounted for.

- 3.7 As set out in Table 1, the savings and income together **equate to a household income of between £16,854** (1 adult, no children) **and £48,978** (2 adults, 2 children). This is using the figures from the farm business plan with the smallest projected margin (Plot C); these figures would be higher for Plots A & B.
- 3.8 The projected household finances compares with an average annual household income in East Sussex of £41,418²¹ and the Living Wage of £16,328 for one working adult, and £32,656 for two working adults per year.
- 3.9 It may be that WDC have only considered the projected farm business margins which range between £6,398 (Plot C) and £12,653 (Plot B). However, this does not reflect the household finances for the following reasons:
- a. The business plans provide a salary of £20,000 for a farm labourer which can be paid to one of the adults in households of 2 adults. At Greenham Reach both adults work on two of the three holdings.
 - b. Rent / mortgage is already accounted for in business expenditure.
 - c. Electricity and water are free at the point of use, paid for as part of the monthly 'rent' payments representing a savings of £634 - £1,366 per year, depending on the size of the household.

²⁰ The business plans provide £20,000 for a full-time farm labourer on top of a (single) owner-occupier working full-time. In a two person household this money would be paid to one of the adults. In any event household income has been calculated both for households with one and two adults working on the holding, i.e. assuming where only one adult is working the holding that the household would only receive the farm profits and not the £20,000 salary. See Table 1.

²¹ East Sussex in Figures

- d. Employment is on-site, saving commuting costs of c. £800 per year²² and for those with school-aged children, saving on after-school club fees of £2,051²³ per child per year.
- e. In the study *A Matter of Scale*²⁴, the author found that subsistence consumption contributed between £1,000 and £5,000 to 59% of the sample of 69 small farms, and up to £1,000 for 20% of the sample.
- f. 'Rent' is a business expense and is exempt from national insurance and income tax²⁵. A typical household would need to pay their rent or mortgage from net earnings, and as such the ELC smallholders make an income tax and NI savings. Similarly, there is an income tax and NI savings on electricity and water, and on the savings made on commuting and after school childcare, i.e., a typical household would need to pay for these items from their net income.
- g. Tax credits are available both for individuals and families and child benefit is available for families. Although some may view the use of tax credits as undesirable, it is worth noting that holdings of less than 5ha are currently ineligible for farm subsidies and that in 2013/2014 the average British horticultural business received £5,370²⁶ from subsidies or agri-environment schemes.

²² Mileage at Greenham Reach is 33% of the national average. The figure for this saving was calculated multiplying average household expenditure of £1,285 (2017) on fuel for the family car by 67%.

²³ British average of £52.58 per week for 15 hours of after-school care term-time only. Source: Which? Guide Childcare in the UK (2018), Which? magazine digital blog <https://www.which.co.uk/reviews/childcare/article/childcare-in-the-uk/what-are-my-childcare-options>

²⁴ Submitted as Appendix B to the supplemental information submitted 17/11/2017

²⁵ Expenses and Benefits: Accommodation (2018), HMRC

²⁶ Laughton, R, *A Matter of Scale* (2017), Coventry University and Land Workers Alliance

TABLE 1: Projected Household Finances for Various Household Sizes using Margins for Plot C

	Single Adult Household			Two Adult Household		
	No child	1 child	2 children	No child	1 child	2 children
Farm Profit Net projected farm profits. The figure of £6,398 is taken from Plot C business plan*.	£6,398	£6,398	£6,398	£6,398	£6,398	£6,398
Farm Wages Wages paid by the farm business to one of the adults in the household where both adults work on the farm business and the budgeted wages not paid to a worker outside of the household.				£20,000	£20,000	£20,000
Value of Rent / Mortgage The monthly rent payment of £400 has been projected to be paid by the farm business before Farm Profit is calculated**. It does not have to be paid out of wages or farm profits.	£4,800	£4,800	£4,800	£4,800	£4,800	£4,800
Value of Electricity and Water These are paid as part of the Rent / Rent-to-Buy payment.	£634	£927	£1,276	£759	£1,052	£1,366
Saving: Commuting Savings of £400 per adult per year from living at place of employment.	£400	£400	£400	£800	£800	£800
Saving: Childcare Annual savings per child of £2,051 in after school club fees.		£2,051	£4,102		£2,051	£4,102
Value of Subsistence Consumption The value of food and wood from the holding consumed by the household.	£1,000	£1,500	£2,000	£1,000	£1,500	£2,000
Child Benefit		£1,076	£1,789		£1,076	£1,789
Tax Credits	£2,770	£8,110	£10,892			£2,701
Equivalent Income (before tax saving)	£16,002	£25,262	£31,656	£33,757	£37,677	£43,955
EQUIVALENT HOUSEHOLD INCOME	£16,854	£27,023	£34,345	£36,952	£41,782	£48,978

Notes: *profit from plots A and B is projected to be higher; **the business plan uses the lower figure for rent of £400 rather than the higher figure for Rent-to-Buy of £430. Here the figure of £400 used in the business plan is used.
The underlying assumptions used are set out in Appendix A.

TABLE 2: Projected Household Finances for Various Household Sizes using Margins for Plot A (variant business plans)

	Single Adult Household			Two Adult Household		
	No child	1 child	2 children	No child	1 child	2 children
Farm Profit Net projected farm profits. The figure of £8,140 is taken from Plot A variant business plan*.	£8,140	£8,140	£8,140	£8,140	£8,140	£8,140
Farm Wages (0.3FTE) Wages paid by the farm business to one of the adults in the household where both adults work on the farm business and the budgeted wages not paid to a worker outside of the household.				£6,000	£6,000	£6,000
Value of Rent / Mortgage The monthly rent payment of £400 has been projected to be paid by the farm business before Farm Profit is calculated**. It does not have to be paid out of wages or farm profits.	£4,800	£4,800	£4,800	£4,800	£4,800	£4,800
Value of Electricity and Water These are paid as part of the Rent / Rent-to-Buy payment.	£634	£927	£1,276	£759	£1,052	£1,366
Saving: Commuting Savings of £400 per adult per year from living at place of employment.	£400	£400	£400	£800	£800	£800
Saving: Childcare Annual savings per child of £2,051 in after school club fees.		£2,051	£4,102		£2,051	£4,102
Value of Subsistence Consumption The value of food and wood from the holding consumed by the household.	£1,000	£1,500	£2,000	£1,000	£1,500	£2,000
Child Benefit		£1,076	£1,789		£1,076	£1,789
Tax Credits	£2,065	£7,405	£10,187	£1,616	£4,945	£7,727
Equivalent Income (before tax saving)	£17,039	£26,300	£32,693	£23,115	£30,365	£36,723
EQUIVALENT HOUSEHOLD INCOME	£18,448	£28,619	£35,940	£23,394	£30,878	£37,694

Notes: *profit from Plot A is projected to be higher, no variant business plan was needed for Plot C; **the business plan uses the lower figure for rent of £400 rather than the higher figure for Rent-to-Buy of £430. Here the figure of £400 used in the business plan is used.

The underlying assumptions used are set out in Appendix A.

- 3.10 Of note is that the average cost of a home in the Wealden in 2016 was £294,475²⁷ and agricultural land in East Sussex is selling for an average of £33,600 per ha²⁸. The cost of the three proposed smallholdings is £110,000 each. I have not factored into the household finances calculations above the savings made from buying a holding through the ELC rather than through the market as the amount the smallholder might spend on their housing is unknown, but clearly there is a significant saving.
- 3.11 A second set of business plans²⁹ have been submitted with the planning application which show projected figures for Plots A and B without the large quantity of polytunnels initially envisioned, and that this brings down their income. The revised figures bring down wages to £6,000 on both holdings and lower margins by £566 to £8,140 and by £1,379 to £11,274 for Plots A and B respectively. With the savings set out in point 4.3 and the availability of tax credits, for individuals as well as families, this still equates to an annual household income of £18,448 to £37,694, again depending on the size of the household. Table 2 above sets out the figures in detail.
- 3.12 WDC may argue that it impossible to live on a farm margin as low as £6,398 (Plot C), even allowing for tax credits, rent, utilities, etc. **The households at Greenham Reach have annual living costs of between £5,459 (2 adults, no children) and £6,920 (2 adults and 2 children)**³⁰. This is because they do not have mortgage or rent payments, do not pay for electricity, water or sewage, and have reduced food bills. It is also because those that choose to live a low impact life consume less and therefore spend less. This is reflected in the ecological footprints at Greenham Reach which are less than half the national average³¹.

²⁷ East Sussex in Figures

²⁸ New Entrants to Farming (2017), submitted with the planning documentation

²⁹ Appendix C to the supplementary documents submitted 17/11/2017

³⁰ Agricultural appraisals carried out for Greenham Reach applications for permanent permission (2018), Geo & Co Ltd.

³¹ The average national resource use is captured in the average UK ecological footprint. As a general rule, the greater the household expenditure, the greater the ecological footprint, although other key elements to a low ecological footprint is the use of renewable energy, consumption of local food and avoiding air travel. This is calculated by a number of organisations, see for example, the Global Footprint Network.

- 3.13 Perhaps more decisively, evidence that there is a sustainable financial case can be found in the 69 small ecological and largely horticultural farms surveyed in *A Matter of Scale*³², and the 8 small ecological farms profiled in *Small is Successful*³³ both submitted with the planning application. Evidence for financial sustainability can also be found by looking to the ELC's existing three smallholder families at Greenham Reach who began farming a bare field site in 2014 and now just four years later:
- a. have all developed farm businesses, with collective investment over £400,000;
 - b. are all producing a surplus from farming their holding sufficient to cover their households' basic needs³⁴;
 - c. have no debt; and
 - d. have all purchased their lease in full.
- 3.14 It is significant that small farms such as being proposed here do not receive subsidies due to their small size and are therefore not vulnerable to changes to subsidies following the probable withdrawal from the EU. At the same time there is growing support for ecological farming, local food and rural projects reconnecting people with their environment.
- 3.15 I note that a cautious approach was taken by the authors when preparing the business plans, for example:
- a. The authors allowed for an equal amount of wholesale and direct sales prices. Direct sales obtain higher prices and the ELC's existing tenants at Greenham Reach sell c. 95% of their produce direct to customers and only c. 5% wholesale.

³² Appendix B of the supplemental information submitted 17/11/2017

³³ Appendix 8 of the Planning Statement

³⁴ Agricultural appraisals carried out for Greenham Reach applications for permanent permission (2018), Geo & Co Ltd.

- b. The authors did not provide extra income from adding value to produce through processing; prices can be dramatically increased when processing is combined with direct sales.
 - c. For many crops the authors used the lower end of productivity. For example, the projected yield for courgettes is 1.5kg/m² whereas the *A Matter of Scale*³⁵ Study found the median yield to be 3.4kg/m². There is therefore potential for yield increases as any new entrant becomes established.
- 3.16 I note that the set-up costs or capital investment for each holding - ranging from £38,850 to £52,900 – has been accounted for within the business plan, as well depreciation of assets across 5 or 10 years; WDC have inferred that these were overlooked.
- 3.17 The profits and salaries forecast are in-line with profits from horticulture in the UK more generally; on average UK horticulture production contributed £14,100 to farm incomes, representing 42% of income. The remainder from diversification (42%) and from subsidies and agri-environment schemes (16%)³⁶.
- 3.18 Finally, Mr Spiller’s proof of evidence (para 5.9) argues for the decision maker to consider the ‘policy behind the policy’ with reference to the adopted Local Plan. I too would ask the decision maker to consider the overall intention of policy. Policy DC2 states that the financial test is applied “*to ensure that proposals are genuine, that they are reasonably likely to materialise and are capable of being sustained for a reasonable period of time such as to justify the scale of the residential proposal*”. The Court of Appeal judgement *Petter and Harris v SSETR and Chichester DC* 1999 clarifies that “*the financial viability test is only relevant in the determination of whether the grant of permission, in whatever terms it might be granted would, because of the uncertain future of the agricultural activity, threaten to produce, in the future, a non-conforming residential use that would pass with the land; a use that had*

³⁵ Submitted as Appendix B with the supplemental planning information submitted 17/11/2017

³⁶ Laughton, R. *A Matter of Scale* (2017) Coventry University and Land Workers Alliance

lost its agricultural justification". The proposed S106 Agreement, made by the ELC, a community benefit society and not-for-profit, provides strong protection in law to prevent non-conforming residential use. Last month the ELC were invited by DEFRA to share our experience and model as part of their current work "to explore ways in which more talented new entrants can be encouraged into a farming career".

4 FUNCTIONAL NEED

- 4.1 WDC have stated in their Statement of Case that “the scale and nature of the operation does not suggest strong functional requirements to be on the site”.
- 4.2 WDC have also stated that “no clearly established essential agricultural need has been demonstrated” although they have not said how/why they consider it has not been demonstrated.
- 4.3 The functional needs of both the proposed businesses, and more generally of labour-intensive agroecological farm businesses is discussed and evidenced in six documents submitted with the planning application:
- the Planning Statement (paras 5.7 – 5.14).
 - Appendix 1 to the Planning Statement: appeal decisions for the three ELC smallholdings at Greenham Reach (paras 20 – 31) in which the planning inspector describes their functional requirements. The Greenham Reach holdings have very similar businesses and demands as those proposed with this planning application.
 - Appendix 10 to the Planning Statement: Table of Planning Decisions for Farm/Horticultural Businesses on less than 10 acres. This provides 12 examples of planning consent granted for agricultural workers dwellings for farm businesses – largely horticultural - on 10 acres or less.
 - Appendix 11 to the Planning Statement: Illustrative Smallholder Functional Need. This document provides five pages of details of functional requirements which explain the functional requirements of the business plans:
 - i. Constant monitoring of polytunnels to ensure they do not get too hot or cold, have the correct soil moisture levels, and are properly ventilated;
 - ii. Early morning and late-night crop irrigation;
 - iii. Protection of seedlings and crops from disease and pests;

- iv. Early morning harvesting of fragile crops;
 - v. Protection of field crop seedlings from frost;
 - vi. Weather related emergencies;
 - vii. Multiple crops and associated tasks, along with the restrictions placed on ELC smallholders to manage their land ecologically, live a low-impact life, participate in open days and site monitoring which result in a long working day lasting from 5am – 10pm; and
 - viii. Security.
- A Business Plan for the Arlington site, the Ecological Land Co-operative which sets out the functional requirements briefly under the subheading ‘labour requirements’, point 8 for plots A and C and point 9 for Plot B³⁷.
 - *A Matter of Scale*³⁸ (para 8.3).

4.4 The author has not repeated the reasons in detail here but refers the reader to the aforementioned documentation which taken together gives a full and detailed explanation of the businesses’ functional requirements, along with planning decisions which support our opinions.

4.5 Of note is as well as this author representing the ELC, three other authors - independent of each other - and all of whom have considerable experience in the sector all state that on-site presence is a necessary pre-requisite to the success of commercial organic holdings. Mark Measures and Iain Tolhurst’s experience and qualifications have been set out in paragraphs 3.13 - 3.15. Ms Laughton, who authored *A Matter of Scale*, submitted with this application, runs a vegetable business at Tamarisk Organic Farm and is an experienced agricultural assessor specialising on small agroecological farm businesses. She is also the author of:

³⁷ Appendix C to the supplementary planning information submitted 17/11/2017

³⁸ Submitted as Appendix B with the supplemental planning information submitted 17/11/2017

- *Surviving and Thriving on the Land: How to Use Your Spare Time and Energy to Run a Successful Smallholding* (2008) Green Books; and
- *A Matter of Scale: a Study of the Productivity, Financial Viability and Multifunctional Benefits of Small Farms*³⁹ (2017) Coventry University and Land Workers Alliance.

4.6 In response to WDC's comment that "the scale and nature of the operation does not suggest strong functional requirements to be on the site"; it cannot be said that simply by virtue of being a small-scale horticultural enterprise that there are weak functional requirements. Provided with the planning application is a list of 12 farms of less than 3.5 hectares, largely horticultural farms, where the planning authority found there was functional need. No doubt there are many more.

³⁹ Submitted as Appendix B with the supplemental planning information submitted 17/11/2017

5 SUMMARY

- 5.1 The Proposed Development is the outcome of many years of research into solutions to the crisis for genuine new entrants to farming⁴⁰ while recognising the need to transition from conventional to sustainable agriculture. The ELC's research has included careful examination of the finances and labour needs of existing ecological farm businesses and the financial constraints for new entrants to farming. It has also included locating the very best advisors, such as Mark Measures and Iain Tolhurst. The projected household finances are realistic and viable, *and in addition*, the smallholders have the support of the ELC and ELC has made commitments in binding agreements to ensure there is never a non-conforming residential use.
- 5.2 The individual farm business tasks which require on-site presence have been detailed in the planning application, supplementary documentation and appeal documentation. Ecological mixed farms integrate multiple businesses in order to provide biological diversity, manage pests without pesticides, spread risk, and even the annual workload. Taken together with the additional demands placed on the smallholders as a result of other objectives of the Proposed Development, including living a low-impact lifestyle and participating in wider education and research, smallholders work a long-working day, well outside of 9am – 5pm, and frequently at night. As confirmed by Mark Measures and Iain Tolhurst, 'in the experience of the authors [with over 60 years' experience in organic farming] on-site residence is a necessary pre-requisite to the success of the overwhelming majority of commercial organic vegetable holdings'⁴¹.

⁴⁰ Rather than children of existing farmers

⁴¹ From sample business plans for Arlington, Appendix C to the supplemental planning information submitted 17/11/2017

APPENDIX 1: UNDERLYING ASSUMPTIONS FINANCES CALCULATIONS

Farm Profit	The smallest farm profit was used, taken from the business plans submitted with the planning application, supplemental information.
Farm Wages	The business plans allow for farm wages to be paid. This wage could be received by the smallholding household where two adults from the household are working the holding. Both adults work on the holdings on two of the three holdings at Greenham Reach.
Value of Rent	Rent has already been factored into the business expenses and therefore to show equivalent household income it has been added to this calculation.
Value of Electricity and Water	The values used here are the total of £319 / £487 / £711 in electricity costs for a small / medium / large house (source: Ovo Energy) and £315 / £440 / £565 / £655 average cost for a 1 / 2 / 3 / 4 person household water and waste water (source: Southern Water).
Savings: Commuting	Mileage at Greenham Reach is 33% of the national average and in-line with (low) mileage recorded across all Low Impact Development. The figure for this <i>saving</i> was calculated multiplying average household expenditure of £1,285 2017 (source: ONS) on fuel for the family car by 67% = £861 and rounding it down to £800 for a two adult household and halving it to £400 for a one adult household.
Savings: Childcare	Average after-school childcare costs were taken from the Which? Guide to childcare (2018).
Savings: Subsistence Consumption	The study of 69 small farms <i>A Matter of Scale</i> found that the majority of farms valued subsistence consumption at £1,000 - £5,000. For this calculation £1,000 has been used for an adult only household, £1,500 for household with one child and £2,000 for a household with 2 children.
Child Benefit	Child benefit rates were taken from the government website: www.gov.uk/child-benefit
Tax Credits	This is the amount of tax credits a household would receive.
Equivalent Income (before tax saving)	All of the above line items added together.
Equivalent Income	All of the above line items added together plus the additional income tax and national insurance that would have been payable if items such as electricity and rent had been paid out of gross wages.